GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:20
ANSWERED ON:16.11.2016
VRS to MTNL Employees
Ashok Kumar Shri K.

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the administrative functioning cost particularly on salary and other remuneration of employees of MTNL is about 78 per cent of its revenues which is far above the industry average;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Telecom Commission has proposed a voluntary retirement scheme (VRS) for MTNL employees who are 50 years of age;

(d) if so, the details thereof and the revenue likely to be saved by MTNL as a result of implementation of the VRS Scheme; and

(e) the present status of the proposal?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a)&(b) The employee expenditure of MTNL for 2015-16 is 67% of its total income. This is higher than that of private Telecom Service Providers. The major reason is due to Department of Telecommunication manpower which moved to MTNL on its formation.

(c)&(d) The Telecom Commission approved in the meeting held on 30.4.2016 a Voluntary Retirement Scheme (VRS) for around 5312 employees (20% of existing workforce) of MTNL who are more than 50 years of age primarily whose services may be dispensed without detriment to the company. Care will be exercised to ensure that highly skilled and qualified workers and staff are not given the option and management will reserve the right not to accept the VR of highly skilled employees to retain the talent. The proposal would save MTNL around Rs. 2,701 crore (NPV Rs. 2,080 crore) over a period of 10 years on account of salary and pension contribution.

(e) On approval of Telecom Commission, a Draft Cabinet Note has been prepared and is under consideration.
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